HON'BLE THE CHIEF JUSTICE SRI G.S. SINGHVI
AND
HON'BLE SRI JUSTICE C.V. NAGARJUNA REDDY

Writ Petition No. 12322 of 2007

Between:

M/s SKR Constructions, Suryapet,
Rep. By its Managing Director,
S. Krishna Rao

… Petitioner

And

Government of Andhra Pradesh,
Rep. By its Principal Secretary,
Finance (Works & Projects) Department,
Hyderabad & others

… Respondents

:: O R D E R ::

Counsel for the petitioner : Shri G. Narendra Chetty

Counsel for respondent No.6 : Shri K. Raji Reddy,
Special Government Pleader for
Commercial Tax.

July 30, 2007

Per G.S. Singhvi, CJ

This is a petition for quashing Memo No.602/F8(1)/2006, dated 14.3.2007 issued by the State Government for deduction of 4% tax at source under the Andhra Pradesh Value Added Tax Act, 2005 (for short, 'the 2005 Act') from the contractors.

The petitioner is engaged in the business of execution of works contracts. It is registered as dealer under the 2005 Act. It was awarded contract for laying/improving/repairing various roads in

Nalgonda District vide agreements dated 08.1.2007, 07.2.2007, 12.2.2007, 09.3.2007, 12.4.2007, 10.5.2007 and 24.5.2007. The grievance of the petitioner is that even though the State Government has directed deduction of 4% tax at source, certificates of TDS are being issued only with respect to 2.8% and only 2.8% was being remitted to the Commercial Tax Department and, on that account, its liability remains pending with the Commercial Tax Department.

During the pendency of the writ petition, the State Government issued Memo No.602/F8(1)/2006-8 on 19.7.2007, and removed the anomaly pointed out in the affidavit of the petitioner. The concerned officers have now been directed to remit the entire amount of tax deducted at source to the Commercial Tax Department.

Learned counsel for the parties agree that in view of Memo dated 19.7.2007, similar petitions filed by other contractors have been disposed of as infructuous with the direction that the amounts retained by the contracting department be remitted to the Commercial Tax Department and necessary certificate be issued to the writ petitioner.

In view of the above, this petition is disposed of in similar terms and the contracting department is directed to remit the remaining amount of tax deducted at source to the Commercial Tax Department and also issue necessary certificate to the petitioner.

As a sequel to disposal of the writ petition as infructuous, W.P.M.P.No.15358 of 2007 filed by the petitioner for interim relief is also disposed of as infructuous.

G.S. SINGHVI, CJ

C.V. NAGARJUNA REDDY, J

July 30, 2007
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